

GAO

Report to the Under Secretary of the
Navy

January 1989

NAVY
PROCUREMENT

Option for EA-6B
Aircraft Parts Should
Be Reexamined





United States
General Accounting Office
Washington, D.C. 20548

National Security and
International Affairs Division

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January 13, 1989

The Honorable H. Lawrence Garrett III
The Under Secretary of the Navy

Dear Mr. Garrett:

As a part of our review of the Navy's EA-6B aircraft program, we examined the procurement of the universal excitors used by this aircraft. The size of the aircraft fleet is a major factor in determining needs for universal excitors. A July 1988 decision by the Secretary of Defense will decrease the planned size of the EA-6B aircraft fleet.

We found that the number of universal excitors on order is more than the number needed to support the smaller EA-6B fleet and that plans of the Naval Air Systems Command to exercise a \$33 million contract option to purchase more universal excitors by January 31, 1989, do not appear to be justified.

The universal excitor is part of the system used to jam electronic signals of an adversary. Universal excitors are components of the EA-6B jamming pods that generate jamming signals for the various transmitters also carried in those pods. At the present time 503 universal excitors have been ordered, and the Navy has an option under contract N00019-85-C-0042 to acquire between 46 and 70 units at a price of \$471,000 each, or at a total cost ranging from about \$22 million to about \$33 million. Officials at the Naval Air Systems Command told us that they plan to exercise the option for 70 additional universal excitors before it expires on January 31, 1989. The additional units would bring the total procurement to 573.

The size of the Navy's fleet of EA-6B aircraft is a major factor in determining the number of universal excitors that the Navy needs. In 1987 the Navy established an inventory objective of 552 universal excitors to support a fleet of 159 EA-6B aircraft. However, in July 1988 the Secretary of Defense acted on the advice of the Defense Resources Board and decided to terminate EA-6B production after procuring the fiscal year 1989 production lot. This action is expected to reduce the EA-6B fleet to 131 aircraft—a reduction of about 18 percent. If a corresponding reduction were made in the universal excitor inventory objective, the Navy would need about 453 universal excitors, 50 less than the 503 it has already purchased. Thus, exercising the option for additional universal excitors does not appear to be justified.

Major Contributors to This Report

National Security and
International Affairs
Division, Washington,
D.C.

Jim Johnson, Associate Director, (202) 275-6504
Patrick Donahue, Group Director
Sarah Brady, Evaluator

Seattle Regional Office

Arthur Peterson, Evaluator-in-Charge
Brian Estes, Evaluator

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Objectives, Scope, and Methodology

As part of our continuing review of the Navy's EA-6B aircraft program, we examined the procurement of universal exciters needed to support the EA-6B fleet. We performed field work at the

- Office of the Secretary of Defense;
- Office of Chief of Naval Operations;
- Headquarters, U.S. Marine Corps;
- Naval Air Systems Command; and
- Headquarters, Medium Attack Tactical Electronic Warfare Wing.

We reviewed pertinent documentation such as support plans and procurement files. We also interviewed personnel of the Departments of Defense and the Navy responsible for the preparation and maintenance of key documents and for management and oversight of the EA-6B acquisition program and people involved in the establishment of EA-6B force levels.

We conducted our review in accordance with generally accepted government auditing standards.

When we discussed this matter with Navy officials responsible for managing the EA-6B program, they expressed the belief that they had made a computational error in calculating the requirement of 552 universal excitors for the 159 aircraft. Program officials first described this error as a failure to make provisions for replacing universal excitors that were likely to be lost when aircraft crashed. After we pointed out that no new aircraft will be procured and that there will not be a need for attrition replacements, program officials developed a new method of computation that they stated took this into account. Using this new method, they calculated a requirement for 571 universal excitors; however, they were unable to explain the criteria used in making this calculation.

Program officials also stated that \$5 million in advance procurement funds for additional excitors was obligated in April 1988, about 4 months before the Secretary decided to terminate EA-6B procurement, and that this may not be recoverable if the option is not exercised.

Recommendation

We recommend that you direct the program office to reexamine the decision to exercise the option for 70 additional universal excitors. If the requirement for 573 units cannot be justified, we recommend that you direct the program office to not exercise the option for additional universal excitors.

We are sending copies of this report to the Secretary of Defense. Our objectives, scope, and methodology are presented in appendix I, and GAO staff members who made major contributions to this report are listed in appendix II. We would appreciate being informed of any action taken on this matter.

Sincerely yours,


for
John Landicho
Senior Associate Director

